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SUBJECT: SCENESETTER FOR THE VISIT OF SENATE MAJORITY LEADER HARRY REID AND DELEGATION NOVEMBER 28

Summary

1. (SBU) Your delegation will visit Colombia far safer, economically stronger, better governed and more democratic than it has been in decades. Many Colombians will not only say that the Colombia of today is better than any other time in their lives, but also in the lifetime of their parents. During your visit, you will have the opportunity to see how broadly the improvements extend. Murder rates have declined 40 percent since 2002. Murders of union members has dropped even faster; falling 70 percent during the same period. Kidnapping rates, a scourge of even the middle class, have plummeted 76 percent. The Government maintains a presence in all municipalities for the first time in memory. Increased security has led to an economic boom, registering 7.5% growth for the first semester of 2007 after reaching 6.8% in 2006. The economic expansion has reduced poverty by 20 percent since 2002. The regional elections on October 28, went smoothly with limited violence or fraud. Increased security permitted more competitive elections with an 11% increase in the number of candidates. More than 40,000 combatants, mostly paramilitaries, have laid down their arms. Despite all that, Colombians recognize that much remains to do. The Uribe Administration has focused aggressively on reducing human rights violations by beefing up the judiciary, speeding up the judicial process and protecting at risk union members, journalists and human rights workers. The delay in U.S. congressional approval of the U.S.-Colombia Trade Promotion Act (CTPA) has raised concern about the commitment of the USG to Colombia. Studies estimate that the CTPA will create hundreds of thousands of jobs in Colombia; jobs that will employ the ex-coca growers and poorly-educated population of young men that demobilize from illegal armed groups. End Summary.

Positive Economic Outlook

2. (U) Significant gains in security have helped boost the Colombian economy. GDP growth in 2006 hit 6.8 percent, while 2007 first semester growth reached 7.5 percent. Both exports and imports grew more than 20 percent in 2006. The U.S. remains Colombia's largest trade partner (approximately 40 percent of exports and 26 percent of imports). Colombian exports to the U.S. have grown USD 1 billion per year since the Andean Trade Preferences Act's (ATPA) renewal and expansion in late 2002, while U.S. exports to Colombia increased approximately USD 2 billion. The largest U.S. investors - Drummond (coal), ChevronTexaco and ExxonMobil - plan considerable expansion due to the improved investment climate and security situation. Investors from around the world continue investing or consider investing in Colombia in large part because of the possibility of unfettered access to the U.S. market provided under the free trade agreement. In 2006, Foreign Direct Investment increased to USD 8.9 billion,

quadruple the FDI in 2002.

3.(SBU) The CTPA remains the Colombian government's highest economic priority. The Colombian Congress ratified the CTPA in June by a substantial margin, and Colombia's Constitutional Court continues to review the Agreement. The U.S. Congress has extended trade preferences for Colombian exporters under the ATPA through February 2008. The Uribe Administration has redoubled efforts to win U.S. Congressional support for CTPA approval. Visits in 2007 by high-level USG officials, including President Bush, Defense Secretary Gates, Commerce Secretary Gutierrez, U.S. Trade

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Representative Schwab, Deputy Secretary of State Negroponte, and Overseas Private Investment Cooperation CEO Mosbacher, have reassured them of the Administration's commitment, but the Colombian government remains cognizant of the daunting political challenges ahead.

Democratic Security

4.(U) The establishment of greater Colombian government territorial control and the paramilitary demobilization have allowed civil society and political parties to operate more openly than ever before. In May 2006, the leftist Polo Democratico candidate for president received over 2.5 million votes, the highest level ever for a leftist candidate. Colombia's October 28 local elections occurred without significant violence or problems, according to the OAS, Embassy observers, and local press, although violence claimed the lives of more than 30 candidates during the campaign period. The Colombian government deployed 167,000 police and military to voting sites, and electoral officials appeared well organized. The Colombian government and local officials

quickly deployed security and investigative officials to the few areas where allegations of fraud) or localized violence) occurred. The elections centered on local issues and alliances, and results did not represent a referendum on President Uribe or other national politicians) though the Uribe coalition fared well. Samuel Moreno of the Polo Democratico Party won the key Bogota mayoral race. Observers told us candidates and parties associated with the para-political scandal fared poorly overall) though a few questionable candidates did win.

Labor

5.(U) Labor violence and impunity remain major concerns in Colombia. In June 2006, the Colombian government, trade confederations and business representatives signed a Tripartite Accord at the International Labor Organization (ILO) in Geneva, removing Colombia from discussion in the ILO's Committee for the Application of Standards for the first time in 21 years. A resident ILO representative arrived in Colombia in January 2007 to implement the agreement committing the government to financing the ILO Special Technical Cooperation program and allocating USD 1.5 million annually to the Fiscalia to prosecute cases of violence against trade unionists. The Colombian government has assigned nearly 100 prosecutors and investigators to this task. Labor leaders and the UNHCHR's local representative praise the initiative.

6.(U) Although trade unionists continue to fall victim to violence for both political reasons and common crime, the Colombian government is determined to protect labor leaders. In 2006, the Colombian government's Protection Program assisted over 1,500 trade unionists and 10,000 human rights activists, journalists, politicians, witnesses and other individuals under threat. The Colombian government expects to spend some USD 34 million on protection in 2007. You will meet Attorney General Mario Iguaran who has reaffirmed to us

that his office remains committed to prosecuting cases of violence against labor. Under his leadership, the Attorney General's office has focused resources for the human rights office's 13 prosecutor sub-unit concentrating on prosecuting 187 priority labor violence cases. Since 2001, the Colombian government has won convictions in 56 cases of violence against union members, resulting in sentences against 118 suspects.

U.S. Assistance

7.(SBU) In January, the Colombian government presented a Plan Colombia "consolidation strategy" pledging a Colombian investment of USD 78 billion between 2007 and 2013. The proposal contains a heightened emphasis on social development, assigning new resources to consolidate governance, human rights, displaced people, and Afro-Colombian and indigenous communities. It also aims to reintegrate 42,000 demobilized ex-combatants and deserters and to promote Colombia's competitiveness and licit exports. The Colombian government seeks funding from the United States and European countries, but also brings substantial resources of its own to the table. USG security assistance combats drug trafficking and terrorism and includes training, material aid, and technical assistance to security forces and other institutions. It also provides support for Colombian government aviation, essential for all programs)civilian or military*outside Colombia's major cities.

8.(U) Under Plan Colombia, the USG provided more than USD 600 million in economic and social assistance over the past seven years. In FY2007, the USAID Mission in Colombia funds USD 139 million of programs in four key strategic sectors: alternative development and economic policy reform; justice reform, human rights and strengthening governance; demobilization and reintegration of illegal armed groups; assistance to internally displaced persons (Colombia has between 2 and 3 million displaced persons), Afro-Colombians and other vulnerable populations. The USAID Mission has coordinated closely with other sections of the Embassy to strengthen the integration of security, counter-narcotics and economic assistance.

Drug Eradication and Interdiction

9.(SBU) Eradication of coca and poppy crops and interdiction of cocaine and heroin reached record levels in 2006, and political support for manual and aerial eradication continues to grow in Colombia. President Uribe understands that manual eradication cannot replace aerial eradication without a sharp increase in expenditures, and he seeks a complementary approach using both methods. The National Police and military forces seized over 203 metric tons of cocaine and coca base in 2006, a near-record quantity, and destroyed 200 cocaine laboratories, also a record. We continue to work with the Colombian government to refine our eradication strategy and determine how best to transfer key tasks from the USG to the Colombian government.

Military Justice and Improved Human Rights Record

10.(SBU) The Uribe Administration continues to make progress on human rights cases involving military abuse or collaboration with paramilitaries. All members of the military and police receive mandatory human rights training. Minister of Defense(MOD)Santos has identified military justice reform as a top priority; in October, he named the first civilian - and the first woman - as director of the Military Criminal Justice System. In January 2007, Santos relieved Colonel Hernan Mejia Gutierrez, a highly decorated colonel, from command of the 13th Mobile Brigade

due to allegations tying him to former paramilitary leader Jorge 40. This marked the first time a MOD had taken such action against an active commander for alleged paramilitary ties. The UN Human Rights Commission and private human rights groups all play active roles here. Progress on certain high profile human rights cases against the public security forces has gone agonizingly slow and has injured the Colombian governments reputation in the international community.

Extradition

11.(SBU) President Uribe remains a strong supporter of the U.S.-Colombia extradition relationship. Since taking office, he has approved over 565 extraditions to the United States including 154 cases so far in 2007, a new record.

Demobilization and Peace Process

12.(SBU) Over 32,000 former paramilitaries have demobilized since 2002, and a further 11,000 have deserted other illegal armed groups (about one-half from the Revolutionary Armed Forces of Colombia (FARC)). FARC desertions increased significantly in 2007, and this has resulted in the largest such reintegration program ever attempted and operates while the Colombian government continues to battle the FARC and National Liberation Army (ELN). A small percentage of renegade former-United Self-Defense Forces of Colombia (AUC) members have joined new criminal groups. Job creation remains a priority, but many of the recently demobilized have few employable skills and need intense psycho-social and vocational training before they can enter the labor force. The Colombian government's reintegration program significantly increased the number of former combatants now employed or in training. The Colombian government has identified increased investment in small and medium enterprise development as a priority for promoting job creation for demobilized ex-combatants.

13.(SBU) The ELN has negotiated with the Colombian government for well over a year, so far without success and prospects remain doubtful. Although the ELN retains hostages, their military capability continues to decline. The FARC has refused to engage in any meaningful peace talks, and recently killed eleven state legislators that they had held hostage. At the end of August, Venezuelan President Hugo Chavez visited Colombia to offer his assistance in facilitating peace talks between the Colombian government and the FARC and ELN. On November 6, Chavez met with FARC Secretariat member "Ivan Marquez" in Caracas.

U.S. Hostages

14.(SBU) The three U.S. contractors captured by the FARC in February 2003 are the longest held U.S. hostages in the world. Their safe release remains our top priority. The Colombians provide full assistance, and President Uribe has assured us that the U.S. hostages any humanitarian exchange will include the U.S. hostages.

Brownfield